



TOM TINDALL
Director

County of Los Angeles
INTERNAL SERVICES DEPARTMENT

1100 North Eastern Avenue
Los Angeles, California 90063

"To enrich lives through effective and caring service"

Telephone: (323) 267-2101
FAX: (323) 264-7135

August 21, 2012

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012

Dear Supervisors:

**APPROVE ENERGY EFFICIENCY PROGRAM FUNDING
CALIFORNIA PUBLIC UTILITIES COMMISSION
AND APPROVE APPROPRIATION ADJUSTMENT
(4 VOTES) (ALL DISTRICTS)**

SUBJECT

Authorize the Director of the Internal Services Department (ISD) to enter into an agreement with Southern California Edison (SCE) and accept \$2.35 million in funding to continue American Recovery and Reinvestment Act (ARRA) programs, which support financing for public and private sector energy projects and Energy Upgrade California marketing programs, and approve Appropriation Adjustment.

IT IS RECOMMENDED THAT YOUR BOARD:

1. Authorize the Director of ISD or his designee to negotiate and execute an Agreement with SCE to accept funding to support a variety of public and private sector energy financing programs developed by ISD using ARRA funds.
2. Approve an Appropriation Adjustment for \$2.35 million to increase services and supplies under the Countywide Utilities' Fiscal Year (FY) 2012-13 budget.
3. Authorize the Director of ISD or his designee to negotiate and execute any change orders or purchase orders under the Agreement, subject to approval by County Counsel as to form.
4. Authorize the Director of ISD or his designee to execute any amendments to this Agreement with SCE and require notification to the Board of any amendments.

5. Find that the approval of this action is categorically exempt pursuant to the provisions of the California Environmental Quality Act (CEQA).

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

In its May 10, 2012 Decision Providing Guidance on 2013-2014 Energy Efficiency Portfolios ("Decision"), the California Public Utilities Commission (CPUC) ordered the State's investor owned utilities to continue funding successful Energy Upgrade California energy financing and marketing programs developed by local governments using ARRA grants.

The funding is to be made available during 2012 and until the investor owned utilities' 2013-2014 energy efficiency portfolios are implemented (likely to occur in early- to mid- 2013). Southern California Edison (SCE) and Southern California Gas Company (SCG) have worked with ISD's County Office of Sustainability to identify and recommend funding needs for ARRA-supported energy programs during this time period. Separately, ISD has submitted a proposal to the CPUC requesting ongoing funding for these and other energy programs developed by the County using ARRA funding for the 2013-2014 energy efficiency program cycle.

Under the Decision, the CPUC established a goal of developing a standardized set of financing program rules and requirements that can be utilized statewide for different types of consumers so that California can attract a larger amount of private capital from banks and/or sales of loans on a secondary market. This, in turn, would help to bring more private capital to support energy efficiency projects across the State.

SCE and SCG have reviewed the various 2011-2012 local government ARRA programs operating in their service territories and have evaluated these programs against success criteria set forth in the CPUC Decision and their own evaluation criteria. Based upon this evaluation, SCE and SCG have identified four financing programs and one marketing program currently administered by the County for 2012 funding.

1. Energy Upgrade California Single Family Residential Loan Loss Reserve Program - continue administration and development work to support and expand the current program under which Matador's Credit Union provides homeowner loans that support Energy Upgrade California - Los Angeles County upgrade projects. (\$250,000)
2. Residential and Non-Residential Property Assessed Clean Energy (PACE) Debt Service Reserve Program – continue administration and initiate outreach and education program for the Los Angeles County PACE program (non-residential only). (\$500,000)
3. Public Agency Building Loan Loss Reserve Program – continue administration and development work to support and expand a current pilot program which provides private financing for municipal building projects; and provide a \$1 million loan loss reserve credit enhancement. (\$1,100,000)
4. Public Building Revolving Loan Fund for Municipal Buildings – continue administration and development work to support and expand the Los Angeles County revolving loan fund program, and provide outreach and education about revolving loan fund programs to other local governments. (\$200,000)

5. Energy Upgrade California Heating, Ventilation, and Air-Conditioning (HVAC) Contractor Outreach and Training Program – continue administration and development work to train HVAC contractors on whole home retrofits and encourage potential HVAC-only repair projects to include additional Energy Upgrade California measures. (\$300,000)

Implementation of Strategic Plan Goals

The work to be implemented under the County's award under the California Long-Term Energy Efficiency Strategic Plan solicitation supports Goal 1 – Operational Effectiveness: "Maximize the effectiveness of processes, structure, and operations to support timely delivery of customer-oriented and efficient public services."

FISCAL IMPACT/FINANCING

As a result of the CPUC's May 10, 2012 Decision, ISD's programs described above have been selected by SCE and SCG for \$2.35 million in funding. This Decision ordered the State's investor owned utilities to continue funding successful Energy Upgrade California energy financing and marketing programs developed by local governments using ARRA grants through the 2010-2012 Energy Efficiency Program. Five programs administered by the County (described above) have been selected for funding.

Because this funding will fully offset all ISD costs associated with administering and implementing the program, there is no impact on net County cost. Under the proposed agreement, administrative costs will not exceed 15% of total invoiced costs.

ISD also requests that your Board approve an Appropriation Adjustment (Attachment I) to increase services and supplies by \$2.35 million in the Countywide Utilities' FY 2012-13 budget to reflect this funding, which is anticipated to be fully spent during FY 2012-13.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

Pursuant to CPUC Decision (D12-05-015), the CPUC directed the States' investor owned utilities to provide funding for selected successful financing, marketing, and workforce education and outreach programs previously supported by local government ARRA funds in 2011 and 2012. The investor owned utilities were directed to spend a minimum of \$5 million and a maximum of \$10 million in 2012 from unspent 2010-2012 statewide energy efficiency program budgets.

The Agreement and Scope of Work has been approved as to form by County Counsel and are included (Attachments II and III) for your reference.

ENVIRONMENTAL DOCUMENTATION

The approval of this Agreement is exempt from CEQA pursuant to Section 15301 of the state CEQA guidelines because the services to be performed under the Agreement consist of minor alterations to public facilities and/or equipment involving no expansion of existing use.

CONTRACTING PROCESS

Under the pending Agreement, the County would continue each of the programs described above for the remainder of the CPUC 2010-2012 Energy Efficiency Program. Depending on the timing of the start of the CPUC 2013-2014 Energy Efficiency Program, the Agreement may be extended into mid-2013. The County would execute an Agreement directly with SCE. SCE and SCG would jointly fund the programs under the Agreement. SCE's funding share will be 68% and SCG's funding share will be 32%. ISD will perform the work within Los Angeles County service territories where SCE provides electric services and/or SCG provides natural gas energy services to residential, non-residential business or government institution customers.

Under the Agreement and in conjunction with the CPUC's existing regulatory requirements, SCE will be responsible for overall program administration, which includes disbursement of all funding and reporting program status to the CPUC. The Agreement also defines each partner's individual responsibilities and identifies specific implementation plans. ISD will conduct any required sub-contracting using its Energy Support Services Master Agreement.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

None

CONCLUSION

The Executive Officer of the Board of Supervisors is requested to return one stamped copy of the approved Board letter to ISD.

Respectfully submitted,

A handwritten signature in dark ink that reads "Tom Tindall". The signature is written in a cursive, flowing style.

TOM TINDALL

Director

TT:HWC:elc

Attachments (3)

Enclosures

c: Executive Officer, Board of Supervisors
Chief Executive Officer
Deputy CEO
Auditor-Controller
County Counsel

ATTACHMENT I

COUNTY OF LOS ANGELES

REQUEST FOR APPROPRIATION ADJUSTMENT

DEPARTMENT OF INTERNAL SERVICES DEPARTMENT

DEPT'S.
NO. 300

August 21, 2012

AUDITOR-CONTROLLER:

THE FOLLOWING APPROPRIATION ADJUSTMENT IS DEEMED NECESSARY BY THIS DEPARTMENT. PLEASE CONFIRM THE ACCOUNTING ENTRIES AND AVAILABLE BALANCES AND FORWARD TO THE CHIEF EXECUTIVE OFFICER FOR HIS RECOMMENDATION OR ACTION.

ADJUSTMENT REQUESTED AND REASONS THEREFOR

FY 2012-13

4 - VOTES

SOURCES

COUNTYWIDE UTILITIES
A01-IS-94-9751-12460
UTILITIES REVENUE
INCREASE REVENUE \$2,350,000

USES

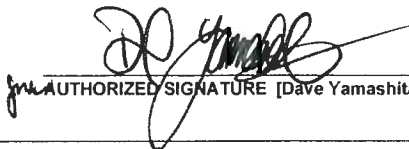
COUNTYWIDE UTILITIES
A01-IS-2000-12460
SERVICES AND SUPPLIES
INCREASE APPROPRIATION \$2,350,000

SOURCES TOTAL: \$ 2,350,000

USES TOTAL: \$ 2,350,000

JUSTIFICATION

Reflects an increase in appropriation to continue American Recovery and Reinvestment Act (ARRA) programs which support financing for public and private sector energy projects and Energy Upgrade California marketing programs. The costs will be fully reimbursed by Southern California Edison resulting in no impact on net County cost.


AUTHORIZED SIGNATURE [Dave Yamashita, Admin Deputy]

BOARD OF SUPERVISOR'S APPROVAL (AS REQUESTED/REVISED)

REFERRED TO THE CHIEF
EXECUTIVE OFFICER FOR ---☒ ACTION☐ RECOMMENDATION

AUDITOR-CONTROLLER

BY



B.A. NO. 010

August 7 2012

☒ APPROVED AS REQUESTED☐ APPROVED AS REVISED

CHIEF EXECUTIVE OFFICER

BY



August 7 2012

SEND 6 COPIES TO THE AUDITOR-CONTROLLER

ATTACHMENT II

SOUTHERN CALIFORNIA EDISON

County of Los Angeles American Reinvestment and Recovery Act (ARRA) Continuation Program

THIS CONTRACT FOR SERVICES ("Contract") is by and between SOUTHERN CALIFORNIA EDISON ("SCE") and COUNTY OF LOS ANGELES ("Implementer"), which Contract shall be effective as of August 1, 2012 ("Effective Date"). SCE and Implementer may be referred to herein individually as a "Party" and collectively as the "Parties."

WHEREAS, Pursuant to Decision (D.) 12-05-015, the California Public Utility Commission ("CPUC" or "Commission") directed the California Investor Owned Utilities (the "IOU's") to provide funding for selected successful financing, marketing, and workforce education and outreach (ME&O) programs previously supported by American Recovery and Reinvestment Act (ARRA) funds in 2011 and 2012.

WHEREAS, SCE has selected the Implementer to implement the County of Los Angeles American Reinvestment and Recovery Act (ARRA) Continuation Program (referred to hereinafter as the "Program"), promoting long-term energy efficiency and climate action activities;

WHEREAS, the Implementer shall implement the Program for the benefit of certain participating governmental jurisdictions and their constituents;

WHEREAS, the Parties desire to enter into an agreement that supersedes any and all previous agreements, and sets forth the terms and conditions under which the Program shall be implemented with respect to the Parties; and

NOW THEREFORE, for valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties agree as follows:

1.0 DEFINITIONS:

All terms used in the singular will be deemed to include the plural, and vice versa. The words "herein," "hereto," and "hereunder" and words of similar import refer to this Contract as a whole, including all exhibits or other attachments to this Contract, as the same may from time to time be amended or supplemented, and not to any particular subdivision contained in this Contract, except as the context clearly requires otherwise. "Includes" or "including" when used herein is not intended to be exclusive, or to limit the generality of the preceding words, and means "including without limitation." The word "or" is not exclusive.

1.1. Business Day: The period from one midnight to the following midnight, excluding Saturdays, Sundays, and holidays.

1.2. Calendar Day: The period from one midnight to the following midnight, including Saturdays, Sundays, and holidays. Unless otherwise specified, all days in this Contract are Calendar Days.

1.3. Contract: This document issued by SCE to Implementer, as may be amended in writing as provided herein, which authorizes the Work, states the terms and conditions, and incorporates by reference the Statement of Work and any other referenced documents, if applicable, all of which form the agreement (Contract) between the Parties, with the following priority in the event of conflicting provisions: Amendments, from the most recent to the earliest; the Statement of Work; this Contract; and any other referenced documents.

1.4. Energy Efficiency Measure (or Measure): As used in the Commission's Energy Efficiency Policy Manual, Version 4, August 2008.

1.5. EM&V: Evaluation, Measurement and Verification of the Program pursuant to Commission requirements.

1.6. Implementer Budget: The approved maximum budget for funding the performance by Implementer of the Program, as set forth in the Statement of Work attached hereto as Exhibit A.

1.7. Incentive: As used in the Commission's Energy Efficiency Policy Manual, Version 4, August 2008.

1.8. Jobsite: An SCE facility or designated third party property at or for which the Work is performed.

1.9. Participating Municipality: Those jurisdictions or member cities that: (i) are located in SCE's service territory; and (ii) have been selected by SCE and Implementer to participate in the County of Los Angeles American Reinvestment and Recovery Act (ARRA) Continuation Program as set forth in the Statement of Work.

1.10. Program: The County of Los Angeles American Reinvestment and Recovery Act (ARRA) Continuation Program.

1.11. Public Goods Charge (PGC): The funds which make up the Implementer Budget and which are collected from electric utility ratepayers pursuant to Section 381 of the California Public Utilities Code for public purposes programs, including energy efficiency programs approved by the Commission.

1.12. Statement of Work (SOW): A statement of the tasks to be performed by the Implementer, commercial terms including the Implementer Budget, reporting requirements and other necessary information, as set forth in Exhibit A and

incorporated herein as part of this Contract, as such SOW may be modified from time to time as provided herein.

1.13. **Subcontractor:** An entity contracting directly or indirectly with a Party, or any Subcontractor thereof, to furnish services or materials as part of or directly related to such Party's Work obligations.

1.14. **Work:** The work authorized by SCE for the Program as set forth in this Contract and as more fully described in the SOW attached hereto as Exhibit A.

2. PURPOSE

The Program is funded by California utility ratepayers and is administered by SCE under the auspices of the Commission. The purpose of this Contract is to authorize the expenditure of PGC funds to Implementer for services performed pursuant to the terms of this Contract and to set forth the terms and conditions under which the Program will be implemented. The work authorized pursuant to this Contract is not to be performed for profit.

The Program is designed to develop a standardized set of financing program rules and requirements that can be utilized Statewide for different types of consumers so that California can attract a larger amount of private capital from bigger banks and/or sales of loans on a secondary market. This, in turn, will help to bring more capital to EE projects. To meet this goal, the CPUC has identified there is a need to continue developing loan, project performance data, and experience to share with larger capital market players to ensure their confidence in both debt repayment behavior and the cash flow profile of energy-savings associated with the projects.

3. AUTHORIZED WORK

3.1. **Scope.** The Work authorized under this Contract is set forth in the Statement of Work (Exhibit A) and shall be performed pursuant to the terms of this Contract.

3.2. **Goals and Objectives.** The Program is designed to meet the specific goals, objectives and milestones within the schedule and budget set forth in the Statement of Work (Exhibit A).

4. OBLIGATIONS OF PARTIES

4.1. **General Obligations of Implementer.**

4.1.1. Implementer will appoint a Program representative ("Implementer Representative") who will be the primary contact between SCE and Implementer, and who will be authorized to act on behalf of Implementer in carrying out its obligations under this Contract. Such appointment shall be communicated in writing to SCE's designated

Contract Program Manager within ten (10) Business Days following execution of this Contract.

- 4.1.2. Implementer shall be responsible for achieving the goals and objectives and producing the deliverables as set forth in the Statement of Work.
- 4.1.3. Implementer shall perform its Work obligations within the Implementer Budget and in conformance with the schedule associated with such Work as set forth in the Statement of Work, and shall furnish the required labor, equipment and material with the degree of skill, care and professionalism that is required by current professional standards.
- 4.1.4. Implementer shall be primarily responsible for coordinating the preparation of all Program-related documents, including all required reporting of Implementer pursuant to Section 9, and any such other reporting as may be requested by SCE. Implementer shall obtain the approval of SCE prior to usage of any SCE Program documents or other energy efficiency program documents or materials offered by SCE.
- 4.1.5. Upon reasonable request, Implementer shall submit to SCE all contracts, agreements or other requested documents with Implementer's Subcontractors performing Work for the Program.

4.2. General Obligations of SCE.

- 4.2.1. SCE will appoint a Program representative ("SCE Representative" or "Contract Program Manager" ("CPM")) who will be the primary contact between SCE and Implementer, and who will be authorized to act on behalf of SCE in carrying out SCE's obligations under this Contract.
- 4.2.2. SCE shall administer the PGC funds authorized by the Commission for the Program in accordance with this Contract.

5. MARKETING

5.1. Marketing Materials. Implementer shall obtain the approval of SCE when developing Program marketing materials and prior to distribution, publication, circulation, or dissemination in any way to the public by Implementer or by a Participating Municipality. In addition, all advertising, marketing or otherwise printed or reproduced material (including website material) used to implement, refer to or is in anyway related to the Program must contain the respective name and logo of SCE and, at a minimum, the following language: *"This Program is funded by California utility ratepayers and administered by Southern California Edison under the auspices of the California Public Utilities Commission."*

5.2. Outreach. Implementer shall obtain the approval of SCE prior to implementation by Implementer or a Participating Municipality, of any public

outreach activities or campaigns for the Program (exhibits, displays, public presentations, canvassing, etc.), and any marketing materials used in connection with such outreach activity shall comply with all requirements of Section 6 of this Contract.

5.3. Use of SCE Name. Implementer must receive prior review and written approval from SCE for the use of SCE's name or logo on any marketing or other Program materials. Implementer shall allow five (5) Business Days for SCE review and approval. If Implementer has not received a response from SCE within the five (5) Business Day period, then it shall be deemed that SCE has disapproved such use.

5.4. Use of Commission's Name. No Party may use the name of the Commission on marketing materials for the Program without prior written approval from the Commission staff. In order to obtain this written approval, SCE must send a copy of the planned materials to the Commission requesting approval to use the Commission's name and/or logo. Notwithstanding the foregoing, the Parties shall disclose their source of funding for the Program by stating prominently on marketing materials that the Program is "funded by California ratepayers under the auspices of the California Public Utilities Commission."

6. CONTROL OF WORK

6.1 Compliance with Work Schedule: Implementer shall perform the Work in compliance with the Work schedule set forth in the Statement of Work. If performance of the Work (including any task, or achievement of any goals or objectives outlined in the Statement of Work) is delayed beyond the schedule for any reason, or if Implementer is aware that such Work will be delayed for any reason, Implementer shall notify the SCE Representative within thirty (30) Business Days in writing. SCE may, in its sole discretion, accept the delay, reduce the Work and Implementer Budget accordingly, or terminate the Contract, within thirty (30) Business Days following receipt of such written notice of delay from Implementer. Failure of Implementer to notify SCE in writing of such delay in the Work schedule within thirty (30) Business Days shall constitute a breach of this Contract and SCE may exercise any of the remedies set forth in this Section or in Section 23.

6.2 Changes to Work:

6.2.1 Changes. SCE may at any time make changes to the Work including additions, reductions, and changes to any or all of the Work, as directed in writing by the SCE Representative. Such changes may be made with a Change Order. The Implementer Budget and Work schedule shall be equitably adjusted, if required, to account for such changes and shall be set forth in a Change Order.

6.2.2 SCE Authority To Shift Funds Or Modify: SCE, in its sole discretion, may reallocate funds among the programs in its energy efficiency portfolio, or modify in anyway the program, funding or Work. In the event that SCE elects to change or modify the funding, program or Work, Implementer shall be notified in writing and if applicable by a Change Order to this Contract. Such Change Order will specify any

changes to the Implementer's Scope of Work and may increase, decrease, or terminate overall program funding.

6.3 Stop Work Procedures: SCE may suspend Implementer's Work at any time upon notice to Implementer for convenience or for cause, including, without limitation, program funding, program implementation or management, safety concerns, fraud or complaints. Implementer shall stop performing the Work immediately upon receipt of such notice. Implementer shall resume the Work only upon receiving written notice from SCE that it may do so. .

6.4 Key Personnel: Implementer shall deliver to SCE a list of Implementer's key personnel prior to commencing the Work. Any change to Implementer's key personnel shall be pre-approved by SCE; provided, however, that an unplanned personnel change shall be reported to the SCE Representative immediately. The Implementer shall designate a person that shall coordinate all Work and communicate regularly for the Implementer with the SCE Representative. Implementer shall promptly replace any key personnel if requested by the SCE Representative, provided however, that this provision does not in any way require, endorse or approve (expressed or implied) the termination of employment by the Implementer of any employee replaced under the terms of this paragraph.

6.5 Subcontractors: Any Work subcontracted by Implementer shall be identified as such in the Contract and any Work subcontracted to an Implementer's affiliated entity shall be similarly specifically identified. For any subcontracted Work, the prior written approval of the SCE Representative shall be required for each Subcontractor, the activities to be performed, and the related charges. Implementer shall at all times be responsible for the Work, and for the acts and omissions of Subcontractors and persons directly or indirectly employed by them. Implementer shall be solely responsible and liable for ensuring that the terms and conditions of all subcontracts are in accordance with this Contract, including but not limited to all invoicing requirements. Any review or approval by SCE of a Subcontractor or a subcontract shall not relieve Implementer of its obligations hereunder.

6.6 Additional Instructions: If Implementer receives any verbal or written instructions for performance of Work from SCE personnel other than the SCE Representative, Implementer shall promptly reconfirm such instructions with the SCE Representative and request that a corresponding Change Order be issued as necessary.

6.7 Emergencies: In an emergency endangering life or property, Implementer shall: a) perform Work or such other services or work as is necessary to meet the emergency; and b) immediately notify SCE.

6.8 Drafts: Draft copies of required reports shall be submitted to the SCE Representative for review for contractual compliance, satisfaction of SCE needs and good professional practices, comments, and approval, prior to the due date of such reports.

6.9 Inspection: SCE authorized representatives shall have the right of access to and inspection of Implementer's facilities and/or locations at reasonable times during regular business hours regarding performance of the Work.

6.10 Uncontrollable Forces: Implementer shall not be liable for delay in the Work Schedule or inability to perform the Work due to any cause beyond its reasonable control, such as strike, flood, fire, lightning, epidemic, quarantine restriction, war, sabotage, act of a public enemy, earthquake, or critical material unavailability; provided that Implementer promptly notifies SCE in writing of the nature, cause, date of commencement, and expected impact of the event and has exercised due diligence in proceeding to meet the Work Schedule. SCE shall extend the Work Schedule for an equitable period due to such causes without any change in the Contract price.

7. FITNESS FOR DUTY/JOBSITE ACCESS REQUIREMENTS

7.1 Fitness for Duty:

7.1.1 Implementer and its Subcontractor personnel on a Jobsite:

- (i) Shall report for work in a manner fit to do their job;
- (ii) Shall not be under the influence of or in possession of any alcoholic beverages or of any controlled substance (except a controlled substance as prescribed by a physician for such person so long as the performance or safety of the Work is not affected thereby); and
- (iii) Shall not have been convicted of any serious criminal offense which, by its nature, may have a discernible adverse impact on the business or reputation of SCE.

7.1.2 Inspection: Searches by SCE authorized representatives may be made of lockers, storage areas, vehicles, persons or personal effects on SCE owned, or leased property at various times without prior announcement. Such facility inspections may be conducted using detection dog teams to search work areas and other common areas in order to detect evidence of unlawful drug use or the presence of pyrotechnics, explosives, firearms, weapons, or facsimiles thereof, alcoholic beverages and illegal drugs ("Prohibited Items"). Prohibited Items must not be brought onto, or kept on, SCE property.

7.1.3 Compliance: Implementer shall advise its employees of the requirement of this Section 7.1 ("Fitness for Duty Requirements") before they enter on the Jobsite and shall immediately remove from the Jobsite any employee determined to be in violation of these requirements. Implementer shall impose these requirements on its Subcontractors. SCE may cancel the Contract if Implementer violates these Fitness for Duty Requirements.

7.2. JOBSITE ACCESS REQUIREMENTS

7.2.1 Notification of Convictions: During application for Jobsite access, and/or during the Work, Implementer shall immediately notify SCE whenever Implementer becomes aware of evidence that any Implementer's or its Subcontractors' employee, who has, or will have, Jobsite access, has been convicted of a serious criminal offense.

7.2.2 Visitor Badge Requirement: All visitors to a particular Jobsite must comply with that Jobsite's visitor access requirements.

7.3. Sexual Harassment: SCE supports a diverse work force and prohibits unlawful employment discrimination and harassment of every kind, including sexual harassment, in accordance with state and federal laws. Whenever present on SCE property or facilities, Implementer shall require its employees, Subcontractors, agents to comply with all applicable federal and state statutes, acts, regulations, codes and standards prohibiting conduct that might reasonably be construed as violating state or federal equal opportunity laws, including conduct such as making sexually suggestive jokes or remarks, touching, assaulting, making gestures of a sexual or suggestive nature, and impeding or blocking any SCE employee's, subcontractor's or agent's movement.

8. DOUBLE DIPPING PROHIBITED

If, in performing its respective Work obligations, Implementer engages contractors or vendors who provide incentives or services to SCE customers, Implementer shall take all appropriate steps to minimize double-dipping. As applicable:

8.1. Prior to providing incentives or services to any eligible customer, Implementer shall require its Subcontractors to obtain a signed form from such eligible customer stating that:

8.1.1. Such eligible customer has not received incentives or services for the same measure from any other SCE program or from another utility, state, or local program; and

8.1.2. Such eligible customer agrees not to apply for or receive Incentives or services for the same measure from any other SCE program or from another utility, state, or local program.

Each Party shall keep its customer-signed forms for at least five (5) years after the expiration or termination of this Contract.

8.2. No Party shall knowingly provide an incentive to a Participating Municipality, or make payment to a Subcontractor, who is receiving compensation for the same product or service either through another ratepayer funded program, or through any other funding source.

9. REPORTING/EM&V

9.1. Reporting. The Parties shall implement all reporting requirements set forth in the Statement of Work, including Appendix A and B of the Statement of Work. The reporting requirements set forth in such Appendix B will be amended when issued by the Commission for the 2010-2012 Program cycle, and may be amended from time to time thereafter at the discretion of the Commission. Upon issuance by the Commission of revised reporting requirements for 2010-12 related to the Program, such Commission-approved reporting requirements shall replace the

reporting requirements set forth in Appendix B of the Statement of Work in their entirety upon written notice to the Implementer, which notice shall include a copy of the revised Appendix B.

9.2. EM&V. The evaluators will be asked to prepare a Program logic model based upon the written proposal and on interviews with the Implementer. Research issues will be defined in collaboration with SCE program managers and may include questions such as: How well were program activities documented? How effectively was the proposed plan implemented? What could be done to improve the plan's effectiveness? Who are the decision-makers, and what information did they use to make their decisions?

10. PAYMENTS/COMMERCIAL TERMS

10.1. Implementer Budget. The Implementer Budget is set forth in the Statement of Work. Implementer shall not be entitled to compensation in excess of the Implementer Budget without a Change Order issued and signed by SCE.

10.2. Time and Material Basis. All Work will be performed on a time and material basis and subject to the following general provisions:

10.2.1. General Provisions.

- a. All charges shall be directly identifiable to, and required for the Work.
- b. Any charges for overtime shall require the prior written approval of the SCE Representative. Overtime rates shall be authorized and charged only for non-exempt personnel.
- c. Implementer shall complete the Work within the amount authorized by the Contract and in accordance with the Work Schedule. Implementer shall notify SCE's procurement agent responsible for the Contract and the SCE Representative at such time that it becomes reasonably apparent that the forecasted cumulative charges will exceed any amounts authorized by the Contract (whether by task, total amount of Contract, or both). Implementer shall not proceed with or be reimbursed for any Work performed, either beyond the effective period of the Contract, or exceeding the authorized amounts of the Contract, without a Change Order.

10.2.2 Labor Related Costs Under Time and Material Basis. Implementer shall invoice SCE at the fixed hourly rates for the applicable labor categories stated in the Contract for time spent directly engaged in performance of the Work by Implementer's employees. Such fixed hourly rates shall be inclusive of all of Implementer's overhead costs (including all taxes and insurance), administrative and general fees, and profit.

10.2.3 Invoices. Implementer shall submit monthly invoices for the costs incurred in the prior month and shall include a cost breakdown for

each task identified in the Statement of Work. Each invoice shall include:

10.2.3.1 Status

- a. SCE's Contract number.
- b. Task Description.
- c. Cost incurred to date.
- d. Current monthly amount invoiced.
- e. Cumulative amount invoiced to date.
- f. Current monthly and cumulative amounts authorized, and justification for all variances between amounts authorized and incurred or invoiced.
- g. Statement of deliverables for the period.

10.2.3.2 Labor

- a. Dates worked.
- b. Personnel name, work hours and classification.
- c. Personnel Fixed rate.
- d. Description of Work performed by task.
- e. Completion of Appendix "C" of the Statement of Work.

10.2.3.3 Reimbursable expenses (pre-approved by SCE)

- a. Material costs.
- b. Subcontract costs.
- c. Out-of-Pocket expenses.
- d. Travel costs.

10.2.4 Expenses. All reimbursable expenses shall be authorized by SCE in writing prior to the expenditure. Any expenses not so approved by SCE shall not be reimbursed. All expenses shall be charged at cost, without mark-up, and shall be necessary, reasonable and ordinary.

10.2.4.1 Material Costs. Material costs shall be substantiated with an invoice stating the unit price, quantity, and other information as required to identify the Work.

10.2.4.2 Subcontract Costs. Subcontracted Work shall be charged at the rates actually paid by Implementer, not to exceed the rates set forth in the Contract for Work by the Implementer. Implementer shall provide Subcontractor invoices for any Implementer invoice that includes Subcontractor costs.

10.2.4.3 Out-of-Pocket expenses. Miscellaneous costs such as telephone communications, routine copying, electronic mail, facsimiles, computer time and in-house technical software are deemed to be included in Implementer's overhead costs will not be reimbursed.

10.2.4.4 Travel Costs. Approved air travel costs shall in no case exceed economy or coach fare, whichever is reasonably available. Automobile travel from Implementer's office to the Jobsite and to SCE's general offices shall be paid at the fixed mileage rate stated in the Contract, or if not stated, at SCE's rate for SCE employees.

10.2.5 Final Invoice. The final invoice shall be marked "FINAL" and must be received by SCE within sixty (60) calendar days after completion of the Work. SCE shall not be liable for payment of any late invoices that are received by SCE beyond the 60 days.

10.2.6 Invoice Deficiencies. In the event SCE determines that Implementer's (or any of its subcontractors) invoices do not meet the invoicing requirements of the Contract, SCE will notify Implementer of the deficiencies and Implementer shall correct such deficiencies promptly.

10.2.7 Payment by SCE. SCE shall pay each correct invoice, submitted in accordance with the terms of the Contract, within thirty (30) days of SCE's receipt of the correct invoice in SCE's Accounts Payable Division.

10.2.8 Records. Implementer shall maintain, for a period of five (5) years after final payment, complete accounting records (and supporting documentation) of all invoiced costs. SCE reserves the right to audit and copy any applicable documents related to the Work hours, all costs and expenses invoiced, and task completion records. Each invoice shall list the number of the Contract covered by such invoice.

11. COMPLIANCE WITH LAW; PERMITS, STATUTES AND CODES

11.1. The Implementer shall comply with, and shall ensure that the Work shall comply with the applicable requirements of all statutes, acts, ordinances, regulations, codes, and standards of federal, state, local and foreign governments, and all agencies thereof.

11.2. Implementer shall conform to the applicable employment practices requirements of (Presidential) Executive Order 11246 of September 24, 1965, as amended, and applicable regulations promulgated thereunder.

11.3 Implementer Policy for Web Accessibility.

If an Implementer currently hosts and manages a web site, on behalf of SCE, that contains public, customer-facing pages, content and/or transactions that is not already web accessible and compliant with Web Content Accessibility Guidelines version 2.0, Level AA (WCAG 2.0, Level AA), the Implementer must make updates to the web site pages, content and/or transactions to meet web accessibility compliance, unless Implementer is not required by law to comply.

As such, Implementers who plan to or currently host and maintain web sites that include web pages, content and/or transactions for SCE shall agree to the following terms regarding current and/or planned web sites unless Implementer is not required to do so by law:

- 11.3.1 All public facing web pages, transactions and content, including multi-media and interactive content and forms targeted for SCE customers, shall be made web accessible and meet the standards defined in WCAG 2.0, Level AA. Multi-media and interactive content within the scope of these terms include, and are not limited to, image files, video files, audio files, Flash movies and applications, Flex applications, Silverlight applications, functionality developed with AJAX and/or any other interactive technology not otherwise specified but utilized to serve up information and/or transactions on the web.
- 11.3.2 Attachments that are posted on a web page for download must also be made web accessible. Attachments include, and are not limited to, Adobe Acrobat PDF files, Microsoft Office files, or any other type of file intended for a customer to download and review offline. An exception may be allowed only if the content contained within the download is already offered on the web site in a web accessible format, and the downloadable attachment is duplicative to the content or transaction displayed on web pages. Such exceptions must be documented and requested by the Implementer, agreed upon by both Implementer and SCE, and granted by SCE prior to declaring any attachment exempt from web accessibility compliance.
- 11.3.3 Implementers must include compliance with WCAG 2.0, Level AA guidelines as part of the base system requirements for any work completed for SCE. Implementers are responsible for testing proposed web pages, content and/or transactions, and confirming compliance with WCAG 2.0 Level AA guidelines. Proof of testing may be documented in the form of test plans, test scripts, test results, and/or web accessibility audits (performed by the Implementer itself or an external party). SCE may, at any time, request for such documentation to confirm that testing was completed and that the published web page, content and/or transaction satisfies web accessibility compliance with WCAG 2.0, Level AA.
- 11.3.4 Upon deployment (i.e. publication for external consumption) of web accessible pages, content and/or transactions, Implementer must, to the best of its abilities, maintain compliance with WCAG 2.0, Level AA for as long as the web pages, content and/or transactions are made publicly available on the third-party hosted web site:
 - 11.3.4.1 If Implementer must edit, enhance, modify, or update web pages, content and/or transactions, Implementer agrees to (re-)test for web accessibility compliance, and document test

results to prove that said content continues to maintain web accessibility compliance. SCE may, at any time, request for such documentation to confirm that testing was completed and that the published web page, content and/or transaction satisfies web accessibility compliance with WCAG 2.0, Level AA.

11.3.4.2 On a periodic basis, SCE may perform audits on the third-party hosted site to assess web accessibility compliance. Audits may be completed by manual evaluation or through the use of an automated testing tool. If SCE identifies any content that was previously communicated as being compliant but is subsequently found to be in violation, 1) SCE will identify, in writing, the specific web page, content or transaction form where the violation is found, the specific WCAG 2.0, Level AA guideline that has been violated, and what the specific violation is determined to be; 2) Implementer agrees to correct the item(s) in violation on its own accord, with no cost impact to SCE, in a timeframe that both SCE and Implementer agree to, not to exceed 30 calendar days.

11.3.4.3 SCE requires an annual web accessibility audit of SCE's web properties by an independent auditor. Any part or all pages of a third-party hosted web site may be included in the annual audit. If the independent auditor identifies any web page, content or transaction that was previously communicated as being compliant but is subsequently found to be in violation, 1) Auditor will identify, in writing, the specific web page content or transaction form where the violation is found, the specific WCAG 2.0, Level AA guideline that has been violated, and what the specific violation is determined to be; 2) SCE shall provide Implementer with audit report, 3) Implementer agrees to correct the item(s) in violation on its own accord, with no cost impact to SCE, in a timeframe that both SCE and Implementer agree to, not to exceed 30 calendar days.

11.3.5 If an existing third-party hosted web site utilizes a commercial off-the-shelf third-party software package to deliver any type of functionality that is customer-facing, the Implementer must work with the software manufacturer to determine whether the software produces web-accessible pages, content and/or transactions.

11.3.5.1 If the software manufacturer is unable to provide a product that produces web pages, content and/or transactions that meet WCAG 2.0, Level AA guidelines, the Implementer shall request the software manufacturer to produce such limitations in writing (i.e. in the form of product specifications, formal response from software manufacturer's technical support) and subsequently provide such documentation to SCE.

11.3.5.2 If the software manufacturer is unable to provide a product that produces web pages, content and/or transactions that meet WCAG 2.0, Level AA guidelines, the Implementer agrees to pursue, in good faith, an alternate product that can provide equivalent functionality and satisfy WCAG 2.0, Level AA web accessibility compliance requirements.

11.3.6 If an Implementer plans to utilize a commercial off-the-shelf third-party software package to deliver any type of functionality that is customer-facing for a future web site, the Implementer agrees to pursue, in good faith, a product that can meet the desired business functionality requirements and WCAG 2.0, Level AA web accessibility compliance requirements.

11.3.6.1 If the Implementer is unable to locate a product that meets both business functionality requirements and web accessibility compliance requirements, the Implementer must communicate such limitations, in writing, and justify the software selection choice. Implementer shall also request the software manufacturer of desired product to produce such limitations in writing (i.e. in the form of product specifications, formal response from software manufacturer's technical support) and subsequently provide such documentation to SCE. SCE shall reserve final decision-making authority to approve the usage of such software to deliver desired business functionality.]

12. INDEMNITY/CONSEQUENTIAL DAMAGES

12.1. Indemnity. Implementer shall indemnify, defend and hold harmless SCE, and its respective successors, assigns, affiliates, subsidiaries, current and future parent companies, officers, directors, agents, and employees, from and against any and all expenses, claims, losses, damages, liabilities or actions in respect thereof (including reasonable attorneys' fees) to the extent arising from (a) any act or omission of Implementer, its Subcontractors, or any of their respective employees, officers and agents, relating to this Contract, or (b) Implementer's breach of this Contract or of any representation or warranty of Implementer contained in this Contract.

12.2. NO CONSEQUENTIAL DAMAGES. NEITHER PARTY SHALL BE LIABLE TO THE OTHER PARTY FOR ANY INDIRECT, INCIDENTAL OR CONSEQUENTIAL DAMAGES WHATSOEVER WHETHER IN CONTRACT, TORT (INCLUDING NEGLIGENCE) OR STRICT LIABILITY INCLUDING, BUT NOT LIMITED TO, LOSS OF USE OF OR UNDER-UTILIZATION OF LABOR OR FACILITIES, LOSS OF REVENUE OR ANTICIPATED PROFITS, COST OF REPLACEMENT POWER OR CLAIMS FROM CUSTOMERS, RESULTING FROM A PARTY'S PERFORMANCE OR NONPERFORMANCE OF THE OBLIGATIONS

HEREUNDER, OR IN THE EVENT OF SUSPENSION OF THE WORK OR TERMINATION OF THIS CONTRACT.

13. DEVELOPMENTS/PROPRIETARY RIGHTS

13.1. Ownership. The Parties acknowledge and agree that SCE, on behalf of its customers, shall own all deliverables, data, reports, information, manuals, computer programs, works of authorship, designs or improvements of equipment, tools or processes (collectively "Developments") or other written, recorded, photographic or visual materials, intellectual property, inventions and trade secrets and all deliverables produced in the performance of this Contract, whether proprietary or non-proprietary; provided, however, that Developments do not include equipment or infrastructure purchased for research, development, education or demonstration related to energy efficiency. Although Implementer shall retain no ownership, interest, or title in the Developments except as may otherwise be provided in this Contract, it will have a permanent, royalty free, non-exclusive license to use such Developments.

13.2. Risk of Loss. Implementer shall have risk of loss of or damage to the undelivered Developments until completion of the Work.

13.3. Infringement.

13.3.1. Implementer represents and warrants that the Work performed by Implementer and/or its Subcontractors shall be free of any claim of trade secret, trade mark, trade name, copyright, or patent infringement or other violations of any proprietary rights of any person.

13.3.2. Implementer shall defend, indemnify and hold harmless, SCE, its officers, agents, employees, successors and assigns from and against any and all liability, damages, losses, claims, demands, actions, causes of action, and costs including reasonable attorney's fees and expenses arising out of any claim, demand, or charge that use of the Work or Developments infringe upon any trade secret, trademark, trade name, copyright, patent, or other intellectual property rights.

14. INSURANCE

14.1. Implementer will maintain, and shall require its Subcontractors to maintain, the following insurance coverage or self insurance coverage, at all times during the term of this Contract, with companies having an A.M. Best rating of "A-, VII" or better, or equivalent:

14.1.1. Workers' Compensation: statutory minimum.

14.1.2. Employer's Liability coverage: \$1 million minimum.

14.1.3. Commercial General Liability: \$2 million minimum
per occurrence/\$4 million minimum aggregate.

Such insurances shall acknowledge SCE, its officers, agents and employees as additional insureds, be primary for all purposes, contain standard cross-liability or severability of interest provisions, and waive all rights of subrogation against SCE its officers, agents, employees and other contractors or Subcontractors.

14.1.4. Commercial or Business Auto: \$1 million minimum.

Such insurance shall acknowledge SCE, its officers, agents and employees as additional insureds and be primary for all purposes.

14.1.5. Professional Liability (if applicable): \$1 million minimum.

14.2. Evidence of Insurance. Upon request at any time during the term of this Contract, Implementer shall provide evidence that its insurance policies and the insurance policies of any Subcontractor, as provided in this Section are in full force and effect, and provide the coverage and limits of insurance that Implementer has represented and warranted herein to maintain at all times during the term of this Contract.

14.3. Self-Insurance. If Implementer is self-insured, it shall upon request forward documentation to SCE that demonstrates to SCE's satisfaction that Implementer self-insures as a matter of normal business practice before commencing the Work. SCE will accept reasonable proof of self-insurance comparable to the above requirements.

14.4. Notice of Claims. Implementer shall immediately report to SCE, and promptly thereafter confirm in writing, the occurrence of any injury, loss or damage incurred by Implementer or its Subcontractors or their receipt of notice or knowledge of any claim by a third party of any occurrence that might give rise to such a claim.

14.5. Insurance Indemnification. If Implementer fails to comply with any of the provisions of this Section, "INSURANCE", or any insurance requirements in the Contract, Implementer shall, at its own cost, defend, indemnify, and hold harmless SCE, its affiliates and their officers, directors, agents, employees, assigns, and successors in interest, from and against any and all liability, damages, losses, claims, demands, actions, causes of action, costs, including attorney's fees and expenses, or any of them, arising out of or in connection with the performance or non-performance of the Work by Implementer or any Subcontractor, or their officers, directors, employees or agents to the extent that SCE would have been protected had Implementer complied with all of the provisions of this Section.

15. CUSTOMER CONFIDENTIALITY REQUIREMENTS

15.1. Non-Disclosure. Implementer, its employees, agents and Subcontractors shall not disclose any Confidential Customer Information (defined below) to any third party during the term of this Contract or after its completion, without Implementer having obtained the prior written consent of SCE, except as provided

by law, lawful court order or subpoena and provided Implementer gives SCE advance written notice of such order or subpoena. Notwithstanding any other provisions in the Contract, Implementer's nondisclosure obligations with respect to SCE Confidential Customer Information shall survive any expiration or termination of the Contract in perpetuity.

15.2. Confidential Customer Information. "Confidential Customer Information" includes, but is not limited to, an SCE customer's name, address, telephone number, account number and all billing and usage information, as well as any SCE customer's information that is marked "confidential". If Implementer is uncertain whether any information should be considered Confidential Customer Information, Implementer shall contact SCE prior to disclosing the customer information.

15.3. Non-Disclosure Agreement. Prior to any approved disclosure of Confidential Customer Information, SCE may require Implementer to enter into a nondisclosure agreement.

15.4. Commission Proceedings. This provision does not prohibit Implementer from disclosing non-confidential information concerning the Work to the Commission in any Commission proceeding, or any Commission-sanctioned meeting or proceeding or other public forum.

15.5. Return of Confidential Information. Confidential Customer Information (including all copies, backups and abstracts thereof) provided to Implementer by SCE, and any and all documents and materials containing such Confidential Customer Information or produced by Implementer based on such Confidential Customer Information (including all copies, backups and abstracts thereof), during the performance of this Contract shall be returned upon written request by SCE.

15.6. Remedies. The Parties acknowledge that Confidential Customer Information is valuable and unique, and that damages would be an inadequate remedy for breach of this Section 15 and the obligations of the Parties are specifically enforceable. Accordingly, the Parties agree that in the event of a breach or threatened breach of this Section 15 by Implementer, SCE shall be entitled to seek and obtain an injunction preventing such breach, without the necessity of proving damages or posting any bond. Any such relief shall be in addition to, and not in lieu of, money damages or any other available legal or equitable remedy.

16. SECURITY INCIDENT PROVISIONS

16.1. SCE Personal Information.

16.1.1. Definition. SCE Personal Information is defined as any information in the possession or under the control of SCE or any of its affiliates, or that is furnished or made available by SCE or any of its affiliates to Implementer, that identifies, relates to, describes, or is capable of being associated with, any particular individual (whether SCE employee, customer, or otherwise), including, but not limited to, his or her name, signature, social security number, physical characteristics or

description, address, telephone number, passport number, driver's license or state identification card number, insurance policy number, medical information or health insurance information, education, employment, employment history, bank account number, credit card number, debit card number, or any other financial information.

16.2. Nondisclosure of SCE Personal Information. Implementer, its employees, agents and Subcontractors shall not disclose any SCE Personal Information (defined above) to any third party during the term of this Contract or after its completion, without Implementer having obtained the prior written consent of SCE, except as provided by law, lawful court order or subpoena and provided Implementer gives SCE advance written notice of such order or subpoena.

16.2.1. Notwithstanding any other provision in the Contract or Contract, Implementer's nondisclosure obligations with respect to SCE Personal Information shall survive any expiration or termination of the Contract in perpetuity. Upon the expiration or termination of the Contract, or at any time upon request of SCE, all SCE Personal Information in any medium, including all copies or parts thereof, shall be returned to SCE or destroyed, except that Implementer may retain one copy of any materials prepared by Implementer containing or reflecting SCE Personal Information if necessary for compliance with its internal record-keeping or quality assurance requirements only. If destroyed, such destruction shall be certified in writing by Implementer.

16.3. Security Incidents. This section shall apply only to the extent Implementer is in possession or control of SCE Personal Information or SCE Confidential Customer Information.

16.2.1 Security Incident Response Plan. Implementer shall develop, implement and maintain a written plan and process for preventing, detecting, identifying, reporting, tracking and remediating Security Incidents ("Security Incident Response Plan" or "SIRP"). A Security Incident shall mean an event or set of circumstances that results in a reasonable expectation of a compromise of the security, confidentiality or integrity of SCE data or information under the Implementer's control. Examples of Security Incidents include are but not limited to:

- (i) Security breaches to Implementer's network perimeter or to internal applications resulting in potential compromise of SCE data or information.
- (ii) Loss of physical devices or media, e.g., laptops, portable media, paper files, etc., containing SCE data.
- (iii) Lapses in, or degradation of, Implementer's security controls, methods, processes or procedures.
- (iv) The unauthorized disclosure of SCE data or information.
- (v) Any and all incidents adversely affecting SCE's or its affiliates', as the case may be, information assets.

16.2.2 SIRP General Requirements. Implementer's SIRP will include Security Incident handling and response procedures, specific contacts in an event of a Security Incident, the contacts' roles and responsibilities, and their plans to notify SCE or its affiliates, as the case may be, concerning the Security Incident. The SIRP must be based on and meet all requirements of the following:

16.2.2.1 U.S. federal and applicable state laws, statutes and regulations concerning the custody, care and integrity of data and information. In particular and without limitation, Implementer shall ensure that its SIRP and its business practices in performing work on behalf of SCE comply with California's Information Practices Act of 1977, California Civil Code §§ 1798.80 *et seq.*, which addresses among other things the provision of notice to SCE or its affiliates, as the case may be, of any breach of the security of SCE Personal Information if it is reasonably believed to have been acquired by an unauthorized person.

16.2.2.2 SCE information management and information security policies and procedures as made available to Implementer from time to time ("SCE Policies and Procedures"), including without limitation ITS-445 "Standards for Information Security Response – Third Parties."

16.2.3 Implementer Response to Security Incident. The following will apply in the event of a Security Incident:

16.2.3.1 Implementer will submit a Security Incident Report (SIR) to SCE's or its affiliates', as the case may be, IT Help Desk or IT Operations Center ("ITOC") in accordance with SCE Policies and Procedures including ITS-445, and applicable law. The SIR shall be given promptly upon discovery of an SI and in any event not more than four (4) hours after discovery of a suspected SI, or sooner if required by law, statute or regulation. If additional time is required under the circumstances of the SI to ascertain the nature or extent of the SI, to stabilize the Computing System or to ensure the integrity of SCE's or its affiliates', as the case may be, data and information, then Implementer shall promptly notify SCE or its affiliates, as the case may be, in writing of the existence of an SI initially, and keep SCE or its affiliates, as the case may be, informed of developments and new information.

16.2.3.2 At SCE's or its affiliates', as the case may be, request, Implementer will meet with SCE or its affiliates, as the case may be, to discuss the cause of the Security Incident, Implementer's response, lessons learned and potential

improvements to Implementer's system security processes and procedures.

16.2.4 Compromise of SCE Personal Information.

16.2.4.1 Additional SIRP Requirements for Personal Information. With respect to any SCE Personal Information in the possession or under the control of Implementer, to protect SCE Personal Information from unauthorized access, destruction, use, modification or disclosure, Implementer shall:

(a) Develop, implement and maintain reasonable security procedures and practices appropriate to the nature of the information to protect SCE Personal Information from unauthorized access, destruction, use, modification, or disclosure.

(b) Develop, implement and maintain data privacy and security programs with administrative, technical, and physical safeguards appropriate to the size and complexity of the Implementer's business and the nature and scope of Implementer's activities to protect SCE Personal Information from unauthorized access, destruction, use, modification, or disclosure.

16.2.4.2 Notice Requirements for Personal Information. In the event of a Security Incident where SCE Personal Information was, or is reasonably believed to have been, acquired by an unauthorized person, Implementer shall immediately provide the SIR required by Section 16.2.3. Such SIR shall state that SCE Personal Information may be involved, and shall describe the suspected nature of such SCE Personal Information.

16.2.5 SIRP Review. At SCE's or its affiliates', as the case may be, request, Implementer shall review the SIRP at least annually with SCE's or its affiliates', as the case may be, designated representatives to identify updates, changes or potential improvements; and a process to document these changes within ninety (90) days of any such changes.

16.2.6 Document Retention. Implementer shall maintain all documentation relating to Security Incidents, whether in written or electronic form, including without limitation, their identification, processing and resolution, for two (2) years after final resolution of the Security Incident, including the final resolution of all claims arising out of the Security Incident.

16.2.7 Indemnification for Security Incidents. Implementer shall, at its own cost, defend, indemnify and hold harmless SCE, its affiliates, officers, agents, employees, assigns and successors in interest, from and against any and all liability, damages, losses, claims, demands, actions, causes of action, costs,

including attorney's fees and expense, fines or penalties, or any of them, resulting from any Security Incident. Any limitation of liability that may be in the Contract or Contract shall not apply to this Section 16.2.7.

- 16.3 Implementer shall ensure that its employees, agents and contractors that perform services for Provider in connection with the Contract are informed of and comply with these Security Incident provisions.

17. CONFLICT OF INTEREST

Implementer affirms that, to the best of its knowledge, there is no actual or potential conflict of interest between Implementer, its employees or their families, Subcontractors, or business interests, and SCE. Implementer shall not hire any SCE employee or employee's spouse to perform any part of the Work. Implementer further affirms that it has set forth in its proposal for the Work: (i) all situations in which Implementer or an affiliated entity of Implementer has been or currently is an SCE Implementer, contractor, or employee; (ii) all situations in which Implementer or an affiliated entity of Implementer has been or currently is in a joint venture arrangement or licensing relationship with SCE (other than an Energy Leader Partnership); and (iii) any affiliated entity to which Implementer intends to subcontract any part of the Work. Implementer shall update such affirmations to SCE during performance of the Work within thirty (30) days following any change thereto.

18. TIME IS OF THE ESSENCE

Implementer hereby acknowledges that time is of the essence in performing their obligations under this Contract. Failure to comply with milestones and goals stated in this Contract, including but not limited to those set forth in Exhibit A of this Contract, may constitute a material breach of this Contract, resulting in its termination, payments being withheld, Implementer Budgets being reduced or adjusted, funding redirected by SCE to other programs or partners, or other Program modifications as determined by SCE or as directed by the Commission. All Work must be performed and completed by October 15, 2012.

19. IMPLEMENTER DISPUTES

Any unresolved disputes between Implementer and SCE shall be referred to an SCE management representative and an officer of Implementer for resolution. Pending resolution, Implementer shall continue to perform the Work as directed by the SCE Representative, and SCE shall continue to make payments for the undisputed items.

20. RIGHT TO AUDIT

SCE and the Commission shall have the right to audit Implementer at any time during the term of this Contract and for five (5) years thereafter. An audit may include, but is not limited to, a review of Implementer's financial records relating to the Work, program implementation procedures, program marketing material, program implementation documents, field audits of Implementer employees or Subcontractors, energy efficiency savings provided by the program, funds spent to date, information relating to the substantiation of program expenditures, incentives paid to date, customers

given incentives to date, lists of employees and respective duties, lists of Subcontractors and their respective responsibilities or service provided.

SCE may, in its sole discretion and at anytime, request information or data relating to the program, Work or this Contract, and Implementer shall provide such information in the format and within the time requested by SCE. Nothing in this provision shall limit the type, format or frequency of such requests by SCE.

21. MODIFICATIONS

Except as otherwise provided in this Contract, changes to this Contract shall be only be valid through a written amendment/Change Order to this Contract signed by both Parties.

22. TERM

This Contract shall be effective as of the Effective Date. Unless otherwise terminated in accordance with the provisions of Section 23 below, this Contract shall terminate at midnight December 31, 2012; provided however, that all Work and services shall be completed by the dates specified in the Statement of Work.

23. TERMINATION OR CANCELLATION

23.1. CPUC Authority To Modify: The Work and program under which the Work is authorized herein shall at all times be subject to the discretion of the California Public Utilities Commission (CPUC), including, but not limited to, review and modifications, excusing performance hereunder, or termination as the CPUC may direct from time to time in the reasonable exercise of its jurisdiction.

23.2. Termination for Convenience: Notwithstanding any other provisions of the Contract, SCE shall have the unilateral right to terminate the Work, or any portion thereof, or the Contract by the issuance of a Change Order, which shall not require Implementer's acceptance.

Subject to the provisions of Section 23.3 and 23.4 hereof, SCE shall pay Implementer the termination charges set forth in the Contract pro-rated to the effective date of termination. If termination charges are not set forth in the Contract, SCE shall complete the payments for all Work accepted by SCE. SCE, at its option, may take possession of any Material paid for by SCE. The provisions of this Section 23.2 shall be Implementer's sole remedy resulting from such termination.

23.3. Cancellation for Default. In the event of: (i) the breach of or failure of Implementer to perform any of its material obligations under the Contract including, but not limited to, failure to complete the Work on time or failure to make satisfactory progress or persistent failure to pay labor and material claims; (ii) the failure of Implementer to give SCE adequate assurance of performance within ten working days after written demand by SCE therefore when reasonable grounds for insecurity arise; or (iii) the insolvency, bankruptcy or receivership of Implementer, then SCE may (a) withhold payment of any further monies which may be due

Implementer until such condition is cured, and/or (b) declare Implementer to be in default of the Contract and notify Implementer in writing of such declaration and shall be entitled to cancel the Contract in whole or in part effective immediately upon written notice thereof. Any cancellation pursuant to this Section 23.3 shall not be deemed a "termination" for the purposes of Section 23.2 hereof.

In the event of such cancellation, Implementer shall immediately stop Work and surrender to SCE's possession, complete and incomplete Documentation and other Information, Material, control and use of the Jobsite and all Implementer and SCE-owned equipment, facilities, and all other items which SCE may deem necessary or appropriate until the Work is completed. Implementer shall assign to SCE the outstanding subcontracts and Contracts as requested by the SCE Representative for such completion. SCE shall have the right to provide, or contract for, all additional labor, Material, and any other items which it may deem necessary to complete the Work.

If the total of all expenses incurred by SCE to complete the Work is greater than the sum which would have been payable under the Contract if Implementer had completed the Work, the difference shall constitute a claim against Implementer. Such claim shall be due and payable within ten working days after presentation of the claim. Additionally, SCE shall have the right to pursue other remedies afforded by law.

23.4 Delivery of Materials: Without limiting the effect of the provisions of Sections 15 and 23.3 hereof, upon receipt of notice of termination or cancellation under this Section 23, Implementer shall immediately deliver to SCE all complete and incomplete Documentation, and all Material. If, at the time of termination or cancellation further sums are due Implementer, Implementer shall not be entitled to the sums until all Documentation and all Material required to be delivered to SCE are delivered.

23.5 Cessation of Work: Upon receipt of notice of termination or cancellation for any reason, Implementer shall promptly cease all Work except for additional Work that SCE may, in its discretion, request Implementer to perform. Additional Work shall be performed in compliance with the terms of the Contract.

24. WRITTEN NOTICES

Any written notice, demand or request required or authorized in connection with this Contract, shall be deemed properly given if delivered in person or sent by facsimile, nationally recognized overnight courier, or first class mail, postage prepaid, to the address specified below, or to another address specified in writing by a Party as follows:

Implementer:
County of Los Angeles
Internal Services Department
Howard Choy
1100 N. Eastern Ave.

SCE:
Southern California Edison
Jim Dodenhoff
1515 Walnut Grove Ave, 2B2-05
Rosemead, CA

Notices shall be deemed received (a) if personally or hand-delivered, upon the date of delivery to the address of the person to receive such notice if delivered before 5:00 p.m., or otherwise on the Business Day following personal delivery; (b) if mailed, three (3) Business Days after the date the notice is postmarked; (c) if by facsimile, upon electronic confirmation of transmission, followed by telephone notification of transmission by the noticing Party; or (d) if by overnight courier, on the Business Day following delivery to the overnight courier within the time limits set by that courier for next-day delivery.

25. INDEPENDENT CONTRACTOR

Implementer is and will perform the work as an independent contractor for SCE. Nothing in this Contract shall be construed so as to render Implementer an employee, agent, representative, joint venturer or partner of SCE for purposes of carrying out this Contract. Implementer shall not enter into any contracts, agreements or other obligations with any other parties which bind, or are intended to bind, SCE without first receiving express written authorization from SCE. SCE and Implementer shall each maintain sole and exclusive control over its respective personnel and operations.

26. BENEFIT TO SCE CUSTOMERS

Ratepayer funded programs must directly benefit customers in the service territory from which the funds are collected. The energy efficiency program implemented pursuant to this Purchase Order is funded in whole or in part by funds collected from SCE's customers for public purpose programs, and therefore must directly benefit SCE's customers. PGC Funds are defined as those certain funds collected from electric utility ratepayers pursuant to Section 381 of the California Public Utilities Code for public purpose programs, including energy efficiency programs approved by the CPUC.

27. ENVIRONMENTAL, HEALTH & SAFETY REQUIREMENTS

The "Southern California Edison ENVIRONMENTAL, HEALTH & SAFETY HANDBOOK FOR CONTRACTORS", dated January 10, 2010, is hereby incorporated by reference into this Contract. Implementer shall immediately notify the SCE Representative if Implementer is unable to meet ANY of the requirements set forth therein. SCE may cancel this Contract if Implementer fails to meet the requirements set forth in this Handbook. Such cancellation shall not be deemed a termination under the termination provisions of this Contract.

28. NON-DISCRIMINATION CLAUSE

No Party shall unlawfully discriminate, harass, or allow harassment against any employee or applicant for employment because of sex, race, color, ancestry, religious creed, national origin, physical disability (including HIV and AIDS), mental disability, medical condition (cancer), age (over 40), marital status, and denial of family care leave. Each Party shall ensure that the evaluation and treatment of its employees and applicants for employment are free from such discrimination and harassment, and shall comply with the provisions of the Fair Employment and Housing Act (Government Code Section 12990 (a)-(f) et seq.) and the applicable regulations promulgated thereunder (California Code of Regulations, Title 2, Section 7285 et seq.). The applicable regulations of the Fair Employment and Housing Commission implementing Government Code Section 12990 (a)-(f), set forth in Chapter 5 of Division 4 of Title 2 of the California Code of Regulations, are incorporated into this Contract by reference and made a part hereof as if set forth in full.

Each Party represents and warrants that it shall include the substance of the nondiscrimination and compliance provisions of this clause in all subcontracts for its Work obligations.

29. NON-DISCRIMINATION CLAUSE

None of the provisions of this Contract shall be considered waived by either Party unless such waiver is specifically stated in writing.

30. ASSIGNMENT

No Party shall assign this Contract or any part or interest thereof, without the prior written consent of the other Party, and any assignment without such consent shall be void and of no effect. Notwithstanding the foregoing, if SCE is requested or required by the Commission to assign its rights and/or delegate its duties hereunder, in whole or in part, such assignment or delegation shall not require Implementer's consent and SCE shall be released from all obligations hereunder arising after the effective date of such assignment, both as principal and as surety.

31. SEVERABILITY

In the event that any of the terms, covenants or conditions of this Contract, or the application of any such term, covenant or condition, shall be held invalid as to any person or circumstance by any court, regulatory agency, or other regulatory body having jurisdiction, all other terms, covenants, or conditions of this Contract and their application shall not be affected thereby, but shall remain in full force and effect, unless a court, regulatory agency, or other regulatory body holds that the provisions are not separable from all other provisions of this Contract.

32. GOVERNING LAW; VENUE

This Contract shall be interpreted, governed, and construed under the laws of the State of California as if executed and to be performed wholly within the State of California. Any action brought to enforce or interpret this Contract shall be filed in Los Angeles County, California.

33. SECTION HEADINGS

Section headings appearing in this Contract are for convenience only and shall not be construed as interpretations of text.

34. SURVIVAL

Notwithstanding completion or termination of this Contract, the Parties shall continue to be bound by the provisions of this Contract which by their nature survive such completion or termination.

35. ATTORNEYS' FEES

Except as otherwise provided herein, in the event of any legal action or other proceeding between the Parties arising out of this Contract or the transactions contemplated herein, each Party in such legal action or proceeding shall bear its own costs and expenses incurred therein, including reasonable attorneys' fees.

36. PRIOR WORK.

In the event that Implementer performs any Work authorized by SCE but prior to the execution of this Contract, then such prior Work shall be considered performed subject to the provisions of this Contract.

37. ENTIRE AGREEMENT

This Contract (including all of the Exhibits and attachments hereto which are incorporated into this Contract by reference) contains the entire agreement and understanding between the Parties with respect to the Program and merges and supersedes all prior agreements, representations and discussions pertaining to the subject matter of this Contract.

38. COUNTERPARTS.

This Contract may be executed in one or more counterparts, each of which shall be deemed to be an original, but all of which together shall be deemed to be one and the same instrument.

[SIGNATURE PAGE FOLLOWS]:

SIGNATURE PAGE

IN WITNESS WHEREOF, the Parties hereto have caused this Contract to be executed by their duly authorized representatives.

IMPLEMENTER:

COUNTY OF LOS ANGELES
INTERNAL SERVICES DEPARTMENT

By: Tom Tindall
Title: Director,
Internal Services Department

SCE:

SOUTHERN CALIFORNIA EDISON

By: Erwin Furukawa
Title: Senior Vice President,
Customer Service

EXHIBIT A

STATEMENT OF WORK (with Appendices A-C)

ATTACHMENT III

TABLE OF CONTENTS

REVISION SUMMARY PAGE	2
SECTION 1: PROGRAM INFORMATION	3
SECTION 2: GENERAL REQUIREMENTS	5
SECTION 3: STATEMENT OF WORK	5
SECTION 4: PAYMENT	11
SECTION 5: PERFORMANCE INDICATORS	13

APPENDICES

APPENDIX A: MONTHLY INVOICING AND REPORTING REQUIREMENTS	14
APPENDIX B: DEFINED TERMS	15

TABLES

TABLE 1: IMPLEMENTER BUDGET LIMIT	11
TABLE 2: IMPLEMENTER T&M FULLY BURDENED HOURLY RATE	12

Statement of Work

REVISION SUMMARY PAGE

Program Name: American Reinvestment and Recovery Act (ARRA) Continuation Program

Program Implementer: County of Los Angeles

[No Revisions at This Time]

Summary:

N/A

Statement of Work

PROGRAM NAME: American Reinvestment and Recovery Act (ARRA) Continuation Program

PROGRAM IMPLEMENTER: County of Los Angeles

PROGRAM BUDGET: \$2.35 Million: 1) \$2.05 Million for Finance Program Continuation; and 2) \$300,000 for Marketing Program Continuation

SECTION 1: PROGRAM INFORMATION

1. Defined Terms

Capitalized terms not otherwise defined in this Statement of Work (SOW) will have the meaning ascribed to them in Southern California Edison's ("SCEs") General Terms and Conditions (Ts&Cs) for both energy efficiency (EE) and demand response (DR), which are attached to the Purchase Order and incorporated herein by reference. Defined terms used in this SOW are established in **Appendix B**, Defined Terms, attached hereto and incorporated

2. Background

Pursuant to Decision (D.) 12-05-015, the California Public Utility Commission ("CPUC" or "Commission") directed the California Investor Owned Utilities (the "IOU's") to provide funding for selected successful financing, marketing, and workforce education and outreach (ME&O) programs previously supported by American Recovery and Reinvestment Act (ARRA) funds in 2011 and 2012. The IOU's were directed to spend a minimum of \$5 million and a maximum of \$10 million in 2012 out of the remaining 2010-2012 statewide ME&O budget.

Under this same Decision, the CPUC established a goal of developing a standardized set of financing program rules and requirements that can be utilized Statewide for different types of consumers so that California can attract a larger amount of private capital from bigger banks and/or sales of loans on a secondary market. This, in turn, would help to bring more capital to EE projects. To meet this goal, the CPUC has identified there is a need to continue developing loan, project performance data, and experience to share with larger capital market players to ensure their confidence in both debt repayment behavior and the cash flow profile of energy-savings associated with the projects.

The IOU's have reviewed all known 2011-2012 ARRA programs relating to EE in the State of California and have evaluated these programs against a) Success criteria set forth in Decision D. 12-05-015, and b) IOU evaluation criteria. Based upon this evaluation, Southern California

Edison (SCE) has identified four (4) Finance programs and one (1) Marketing program (Programs) currently administered by the County of Los Angeles (Implementer).

A. Finance Programs:

1. Single Family Residential Loan Loss Reserve (LLR) Program;
2. Residential and Non-Residential Property Assessed Clean Energy (PACE) Debt Service Reserve (DSR) Program;
3. Public Agency Building Loan Loss Reserve (LLR) Program; and
4. Public Building Revolving Loan Fund for Municipal Buildings.

B. Marketing Program:

1. Energy Upgrade California Heating, Ventilation, and Air-Conditioning (HVAC) Contractor Outreach and Training Program.

Additionally, Decision (D.) 12-05-015 directs the IOU's to develop a strategy and budget for transitioning toward the use of Energy Upgrade California as a Statewide umbrella brand for energy information and encouraging demand-side management actions by residential and small business consumers. Continuation of successful existing ARRA Marketing and ME&O programs that promote Energy Upgrade California supports this strategy.

Under this SOW, the Implementer will continue each of these programs for the remainder of 2012. The Implementer will execute a Contract directly with SCE. SCE and the Southern California Gas Company ("SoCalGas" or "The Gas Company") will jointly fund Work under this Contract. SCE's funding share will be 68% and SoCalGas's funding share will be 32%. Implementer will perform the Work within service territories where SCE provides electric services and SoCalGas provides natural gas energy services to residential, non-residential business or government institution customers (Customers).

3. Goals and Objectives

SCE's *goal* is to continue the existing Finance and Marketing programs under this SOW. The Implementer will assist SCE in developing loan and project performance data critical to meeting the CPUC's longer term objectives for EE finance in California and train HVAC contractors how to market and implement EE HVAC installations on behalf of their customer.

The first *objective* for services provided under this SOW, to the maximum extent possible, is to contribute to an increase in the number of new EE loans issued in each of the following targeted market sectors:

- Single Family Residential;
- Commercial Buildings; and
- Public Agency Buildings.

The second objective is to increase the number of HVAC contractors directly participating in the installation of EE HVAC installations in the SCE/SoCalGas service territories.

SECTION 2: GENERAL REQUIREMENTS

Notice to Proceed (NTP): Implementer may start Work only upon the occurrence of each of the following:

1. Implementer receives the Contract;
2. Implementer provides to the SCE Contract Program Manager (CPM) a signed acknowledgement form of the Contract; and
3. CPM provides to Implementer written approval to proceed.

SECTION 3: STATEMENT OF WORK

The Work described herein:

Task 1: Program Ramp-Up

- A. Attend Program Kick-off Meeting:** Implementer's representative(s) will attend a half-day Program kick-off meeting with the CPM to discuss Program logistics, coordination, reporting, invoicing requirements, scope of Work, and any remaining Contract issues at an SCE-designated location.

Implementer's representative will attend the Program kick-off meeting at a time and place to be determined by SCE after the issuance of the NTP

- B. Program Data, Invoicing, and Reporting Tool Training:** The Implementer will attend a half-day workshop that provides training on the use of SCE invoicing and reporting tool (IR Tool). The Implementer will attend IR Tool training at a time and place determined by SCE after the issuance of the NTP.

Deliverable(s)	Due Date(s)
1. Attend a half-day Program Kick-off Meeting	Determined by SCE after the issuance of the NTP.
2. Attend a half-day IR Tool training session and ongoing IR Tool update training.	Determined by SCE after the issuance of the NTP or notification of IR Tool program changes.

3. Delivery flat files (first draft) to CPM for review and approval.	IR Tool training plus 5 Business Days.
4. Delivery of flat files (final draft) to CPM for review and approval.	IR Tool training plus 10 Business Days.

Task 2: Administration and Program Development for Single-Family Residential Loan Program backed by a Loan Loss Reserve

The Implementer currently markets, develops, and administers a program financing Energy Upgrade California (EUCA) and California Solar Initiative (CSI) upgrades targeted to single-family homes. The program has a Loan Loss Reserve credit enhancement feature. The Implementer will provide the following:

- A. Perform administration and development work required to adequately support and expand the current program over the term of this Contract.
- B. Transmit reports to SCE tracking overall loan activity under this Program on a monthly basis, in a form and format consistent with reporting currently provided for the Program. SCE reserves the right to request changes and modifications to the reporting format to allow it to adequately track Program participation, Program activity and adopted EE Measures.

Task 3: Administration and Program Development for Commercial Loan Program backed by PACE financing and a Debt Service Reserve credit enhancement

The Implementer currently markets, develops, and administers a program seeking to finance EE retrofits for Commercial properties. Bond proceeds realized through issuance of PACE bonds will fund the Program. The Program has the additional feature of a Debt Service Reserve (DSR) providing protection to bondholders in the event a borrower cannot meet its debt repayment obligations. The Implementer will provide the following:

- A. Perform administration, marketing, and development work required to adequately support and expand the current Program over the term of this Contract.
- B. Seek out and enlist additional bond underwriters and lenders, as appropriate, needed to fund potential and future projects under this Program.
- C. Transmit reports to SCE tracking overall loan activity under this program on a monthly basis, in a form and format consistent with reporting currently provided for the program. SCE reserves the right to request changes and modifications to the reporting format to

allow it to adequately track program participation, program activity, and adopted EE Measures.

Task 4: Funding, Administration and Program Development for a Public Agency Building Energy Efficiency Loan Program backed by a Loan Loss Reserve

The Implementer currently markets, develops, and administers a program seeking to finance EE retrofits for Public Agency Buildings and Facilities. Direct project loans from financial institutions will fund the Program. The Program has a Loan Loss Reserve credit enhancement feature. The Implementer will provide the following:

- A. Perform administration, marketing, and development work required to adequately support and expand the current Program over the term of the Contract.
- B. Seek out and enlist additional lenders needed to fund potential and future projects under this Program as appropriate.
- C. Direct SCE to deposit funds into the Loan Loss Reserve escrow account established for this Program, subject to the terms set forth in **Section 6** of this SOW.
- D. Transmit reports to SCE tracking overall loan activity under this program on a monthly basis, in a form and format consistent with reporting currently provided for the program. SCE reserves the right to request changes and modifications to the reporting format to allow it to adequately track program participation, program activity, and adopted EE Measures.

Task 5: Administration and Program Development for a Public Agency Building Revolving Loan Fund

The Implementer currently markets, develops, and administers a program which seeks to finance EE retrofits for Public Agency Buildings and Facilities. A Revolving Loan Fund (RLF) will be fund this Program issuing loan proceeds to eligible borrowers and is replenished by repayments from eligible borrowers. The Implementer will provide the following:

- A. Perform administration, marketing, and development work required to adequately support and expand the current Program over the term of the Contract.
- B. Seek out and enlist additional lenders needed to fund potential and future projects under this Program as appropriate,
- C. Transmit reports to SCE tracking overall loan activity under this Program on a monthly basis, in a form and format consistent with reporting currently provided for the Program.

SCE reserves the right to request changes and modifications to the reporting format to allow it to adequately track program participation, program activity, and adopted energy efficiency measures.

Task 6: Administration and Program Development to increase HVAC Contractor installation of EUC retrofits

The Implementer currently markets, develops, and administers a program seeking to motivate HVAC contractors through Incentives, and training to convert typical replacement jobs into EUC projects. The implementer provides funding to contractors to offset the cost of their own customized marketing and outreach materials. The Implementer will provide the following:

- A. Perform administration, marketing, and development work required to adequately support and expand the current Program over the term of the Contract.
- B. Transmit reports to SCE tracking overall Program activity under this Program on a monthly basis, in a form and format consistent with reporting currently provided for the Program. Such reporting will include the number of new project installations performed by existing and new contractors enrolled under this Program. SCE reserves the right to request changes and modifications to the reporting format to allow it to adequately track program participation, program activity, and adopted EE Measures.

Task 7: Ramp-Down and Shut-Down Program

- A. **Program Ramp-Down:** Implementer will provide SCE with a ramp-down plan for the Program. To ensure complete Program shutdown, the Program ramp-down period will commence no later than **January 1, 2013**. Implementer's plan for Program ramp-down will take into consideration that all services described in Tasks 1-6 must be completed by **December 31, 2012**.

Implementer will resolve all outstanding Program issues and begin preparation of a Final Report, see Task 9, no later than **January 31, 2013**.

- B. **Program Shutdown:** Implementer will provide to the CPM a plan with procedures on shutting down the Program.

All Program operations will be completely shut down after the last day of the Contract effective period.

Deliverable(s)	Due Date(s)
1. Submit detailed ramp-down and shutdown plans and schedules to CPM for review and approval	No later than December 31 , 2012
2. Resolve outstanding Program issues and begin preparation of Final Report	No later than January 31 , 2013
3. Begin Program ramp-down	No later than January 1, 2013
4. Complete all services- Tasks 1-7	No later than December 31, 2012

Task 8: Invoicing and Reporting

A. IR Tool: After SCE provides Implementer training on the IR Tool, the Implementer will utilize the IR Tool, which serves three primary purposes:

1. Enables Implementer to provide SCE with required Program information;
2. Provides CPM the capability to access Implementer's Program information and create reports; and
3. Provides miscellaneous reporting support for SCE's internal and CPUC reporting requirements.

B. Submission of Information into IR Tool: Implementer will update the IR Tool on a monthly basis in accordance with requirements delineated in Appendix A (Monthly Invoicing and Reporting Requirements). Implementer will work collaboratively with the CPM in tailoring the flat files for the Program.

C. Monthly Invoicing and Reporting: All required monthly invoice reports can be generated via the IR Tool. Implementer will be responsible for implementing, adhering to, and the submission of, the items as described in Appendix A (Monthly Invoicing and Reporting Requirements) of this Statement of Work. The invoice reporting requirements may be amended from time to time, at which time SCE will notify Implementer of the changes and issue a new Appendix A. Implementer will implement these modifications in a timely manner and they will be reflected in future invoice documentation.

D. SCE's Regulatory Reporting: Implementer will implement, adhere to, and submit the items as described in Appendix B (Regulatory Reporting Requirements), as SCE requests. The CPUC reporting requirements may be amended from time to time, at which time SCE will notify Implementer of the changes. Implementer will implement these modifications in a timely manner and they will be reflected in future invoice documentation.

Implementer acknowledges that SCE may, in its sole discretion, require Implementer to provide such other reports or documentation that SCE deems appropriate or necessary (“Ad Hoc Reports”). Implementer will comply with any request for such Ad Hoc Report(s) within a reasonable time or, if applicable, within the time requested by SCE.

Deliverable(s)	Due Date(s)
1. Prepare and submit monthly invoices and supporting documentation to SCE.	Monthly, by the 15th Calendar Day for Work completed the preceding month
2. Prepare and submit monthly regulatory report, including flat files and monthly deliverable work sheet.	Monthly, by the 15th Calendar Day for Work completed the preceding month
3. Prepare and submit Ad Hoc Reports.	As SCE requests and/or requires
4. Prepare and submit final invoice and Final Program Report to SCE.	By February 15, 2013 for final invoice and by January 31, 2013 for final Program Report

Task 9: Submit Final Program Report

After Program shutdown and follow-up issues have been completed and resolved, the Implementer will submit a final report that reviews the Program’s progress and accomplishment (the Final Report). At a minimum, the Final Report will cover:

A. Goal Attainment: Documentation that substantiates the Implementer’s achievement of program Goals and Objectives, as set forth in **Section 5** Program Performance Indicators, and deliverables for the Contract.

B. Program Achievement Discussion:

Implementer will complete a Program achievement update for each Program Performance Indicator and deliverable indicating measureable Program accomplishments. Additionally, the following questions will be addressed:

- Were the goals/objectives met?
- Were the Program Performance Indicators achieved?
- What were the significant obstacles that were overcome?
- Could the program have accomplished more?
- What improvements could have been made to help the Program be even more successful?

- Should the Program be: a) Mainstreamed, b) Continued to be developed, or c) Terminated.

SECTION 4: PAYMENT

- A. Payment Terms:** The Implementer Budget will utilize time and material based payments (T&M) for all marketing, development, and administrative tasks. Payment for this portion of the Implementer's work will be based on SCEs receipt of the deliverables set forth herein. T&M payments will be in accordance with the Billing Rates set forth in **Table 2**, below. All payments will be subject to the Contract and consistent with the budget breakdown set forth herein. Payment will be based on meeting deliverables and due dates set forth in **Section 3** of this SOW.
- B.** Payment for funding of the Loan Loss Reserve under Task 4 will be made upon request of the Implementer in maximum increments of **\$500,000**. Such requests will be accompanied by documentation providing substantiation that Program requirements and participation are exhausting current Loan Loss Reserve allocations.

Additionally, implementer funding requests shall be accompanied by documentation providing substantiation that one or more lenders has provided written commitments to the Implementer to provide loan underwriting for Public Agency Building Energy Efficiency Retrofits backed by a Loan Loss Reserve fund. Payments to fund the Loan Loss Reserve fund shall be deposited in an escrow fund set aside specifically for the Public Agency Building EE Loan program.

The Implementer budget under this Scope of Work is set at a not to exceed amount of \$2.35 Million and governed by the **Table 1** below:

TABLE 1: IMPLEMENTER BUDGET LIMIT

Task (s)	Functional Area	Not to Exceed Amount
2	Administration and Program Development	\$250,000
3	Marketing, Administration and Program Development	\$500,000
4	Funding of Loan Loss Reserve Escrow Fund	\$1,000,000

4	Administration and Program Development	\$100,000
5	Administration and Program Development	\$200,000
6	Marketing and Administration	\$300,000
1, 7, 8, 9	Administration	Invoiced Charges for these tasks must result in overall implementer costs remaining at or below \$2.35 Million. In no case shall invoiced costs for these tasks exceed 15% of overall invoiced costs for task 2, 3, 4, 5. and 6 (Administration, Program Development, and Marketing Costs).

TABLE 2: IMPLEMENTER T&M FULLY BURDENED HOURLY RATE

Implementer Job Function	*Fully Burdened Hourly Rate 2012	Estimated % of Total Hours
	(\$/Hour)	
Subcontractor – Administrative Support	TBD	%
Subcontractor – Resource Manager	TBD	%
Subcontractor – Project Manager	TBD	%
Subcontractor – Technical Support	TBD	%
Subcontractor – Senior Project Manager	TBD	%
Subcontractor – Product Manager	TBD	%
Subcontractor – Senior Consultant	TBD	%
Subcontractor – Financial Consultant	TBD	%
Subcontractor – Principal	TBD	%
Subcontractor – Bond Counsel	TBD	%
Facilities Project Manager I	TBD	%
Facilities Project Manager II	TBD	%
Building Crafts Superintendent I	TBD	%
Electrician – Energy Division	TBD	%
Refrigeration Mechanic – Energy Division	TBD	%
Senior Application Programmer	TBD	%

IT Specialist	TBD	%
Principal Application Developer	TBD	%
Application Developer II	TBD	%
Senior Information Technology Aide	TBD	%
Staff Assistant I	TBD	%
Intermediate Typist Clerk	TBD	%
Average rate for all Implementer's Staff	\$0	100%

*Please refer to the Ts&Cs **Section 10.2.2** for more information on T&M Fully Burdened Hourly Billing Rates. Subcontracted Work shall be charged at the hourly rates actually paid by Implementer, not to exceed the hourly rates set forth in the Contract for Work performed by the Implementer. Implementer shall provide Subcontractor invoices for any Implementer's invoice that includes Subcontractor costs.

SECTION 5: PERFORMANCE INDICATORS

At a minimum SCE will monitor the Work based on the following Program Performance Indicators:

- A. Progress made against the goals, deliverables, and due dates above; and
- B. Actual performance versus predicted performance as outlined herein.

APPENDIX A: MONTHLY INVOICING AND REPORTING REQUIREMENTS

Requirements:

Monthly hard copy invoices are required at the 15th Calendar Day of each month for Work completed the preceding month with invoicing supporting files described herein. These invoices and supporting documents are for Work performed by the Implementer and all Subcontractors.

Procedures:

Implementer uploads their Customer flat files into the IR Tool. The IR Tool creates a draft invoice for Implementer's review.

CPM reviews the draft invoice and advises the Implementer to re-submit their invoice if requested. Implementer is required to submit the following files to SCE by the 15th Calendar Day of each month with each of their invoice submission:

- **Invoice** – Hard Copy and electronic copy uploaded into the IR Tool;
- **Program Tracking Flat File** – Uploaded electronically into the IR Tool;
- **Financial Flat File** – Uploaded electronically into the IR Tool;
- **Deliverable Table** – Uploaded electronically.
- **Allowable Cost Table** – Hard Copy with invoice submission; and
- **Supporting documentation** – Uploaded electronically into the IR Tool.

Upon approval by CPM, the invoice is paid.

Monthly Narrative:

The monthly narrative will include a discussion on the following Program activities occurring during the month:

- Administrative activities;
- Marketing activities;
- Direct Implementation activities;

Implementer's assessment of Program performance and Program status (is the Program on target, exceeding expectations, or falling short of expectations, etc.).

APPENDIX B: DEFINED TERMS

1. **Business Day:** The period from one midnight to the following midnight, excluding Saturdays, Sundays, and holidays.
2. **Calendar Day:** The period from one midnight to the following midnight, including Saturdays, Sundays, and holidays.
3. **Contract:** Document issued by SCE to Implementer, as may be amended in writing as provided therein, which authorizes the Work, states the terms and conditions and incorporates by reference the Statement of Work and any other referenced documents, if applicable, all of which form the agreement (Contract) between SCE and the Implementer, with the following priority in the event of conflicting provisions: Change Orders, from the most recent to the earliest; the Statement of Work; the Contract; and any other referenced documents, and which facilitates payment to the Implementer for the Work described herein.
4. **Contract Program Manager (CPM):** The SCE Representative who will manage the Program.
5. **California Public Utilities Commission (“CPUC” or “Commission”):** The state agency charged with regulating California Investor-Owned Utilities (IOUs), and with overseeing Ratepayer funded public purpose energy efficiency programs. Regulates privately owned electric, natural gas, telecommunications, water, railroad, rail transit, and passenger transportation companies.
6. **Energy Efficiency (EE):** Activities or programs that stimulate customers to reduce customer energy use by making investments in more efficient equipment or controls that reduce energy use while maintaining a comparable level of service as perceived by the customer.
7. **Energy Efficiency Measure:** An energy using appliance, equipment, control system, or practice whose installation or implementation results in reduced energy use (purchased from the distribution utility) while maintaining a comparable or higher level of energy service as perceived by the customer. In all cases energy efficiency Measures decrease the amount of energy used to provide a specific service or to accomplish a specific amount of work (e.g., kWh per cubic foot of a refrigerator held at a specific temperature,

therms per gallon of hot water at a specific temperature, etc.). For the purpose of these Rules, solar water heating is an eligible energy efficiency Measure.

8. **Energy Efficiency Programs:** Programs that reduce customer energy use by promoting energy efficiency investments or the adoption of Conservation practices or changes in operation which maintain or increase the level of energy services provided to the customer.
9. **Energy Efficiency Savings:** The level of reduced energy use (or savings) resulting from the installation of an energy efficiency Measure or the adoption of an energy efficiency practice, subject to the condition that the level of service after the investment is made is comparable to the baseline level of service. The level of service may be expressed in such ways as the volume of a refrigerator, temperature levels, production output of a manufacturing facility, or lighting level per square foot.
10. **Evaluation, Measurement and Verification (EM&V):** Activities which evaluate, monitor, measure, and verify performance or other aspects of energy efficiency programs or their market environment.
11. **HVAC:** Heating, Ventilation, and Air Conditioning Systems. Used in discussing replacement of inefficient equipment with high-efficiency equipment.
12. **Incentives:** Monetary amount paid to a market actor (not a Customer) for performance or inducement of a service that relates to the ultimate installation of energy efficiency equipment or service. Incentives are categorized as an administrative expense in the E3 Calculator.
13. **Marketing Education and Outreach (ME&O):** Communications activities designed to identify, reach, and motivate potential customers to take actions to either learn more about or invest in energy efficiency opportunities.
14. **Measures**
 - Specific customer actions which reduce or otherwise modify energy End Use patterns.
 - A product whose installation and operation at a customer's premises results in a reduction in the customer's on-site energy use, compared to what would have happened otherwise.

15. **Nonresidential:** Facilities used for business, commercial, agricultural, institutional, and industrial purposes. Nonresidential customers are further divided into the following sub sectors, on the basis of annual electric demand or annual gas consumption:
- **Large nonresidential:** Customers whose annual electric demand is greater than 500 kW, or whose annual or annualized gas consumption is greater than 250,000 therms, or both
 - **Medium nonresidential:** Customers whose annual electric demand is between 100 kW and 500 kW, or whose annual or annualized gas consumption is between 50,000 therms and 250,000 therms, or both
16. **Performance Indicators:** Specific, measureable, actionable, realistic and time-specific requirements that will directly, and measurably contribute to SCE's business goals for the Contract.
17. **Program Implementer:** An entity or person that puts a program or part of a program into practice based on contacts or agreements with the portfolio manager.
18. **Residential Customers:** Existing single family residences, multi-family dwellings (whether master-metered or individually metered), and buildings that are essentially residential but used for commercial purposes, including, but not limited to, time share and vacation homes.
19. **Statement of Work:** A statement of the tasks to be performed by Consultant as set forth in a separate document or in the PO, as may be modified from time to time.
20. **Statewide:** Energy efficiency programs or activities that are essentially similar in design and available in all Commission regulated utility service areas in California.
21. **Subcontractor:** An entity contracting directly or indirectly with Implementer to furnish services or materials as part of or directly related to Implementer's Work. Subcontractor may also include any Participating Municipality.
22. **Work:** Any and all obligations the Implementer will perform during the term of this Contract, any revision to this Contract, or a subsequent Contract or Contract Addendum incorporating this Statement of Work. The Work will include, but may not be limited to, the tasks described in **Section 3** of this Statement of Work.